

DMCA Annual Meeting Minutes

December 3, 2018

6:10 PM meeting called to order.

Board Members Attending: Vince Snowbarger, Gordon Mull, John Young, Tom Seaman, Val Szwarc, Gary Radcliff

DMCA Members Attending: Carolyn Snowbarger, Melinda Mull, Glenda Young, Caroline McAndrews, Laura McAlevy, David Dorn, Jason Klonoski, Henry Hooper, Rick Taylor, Judi Snelling, Burkhardt Feierabend, Larry Benasutti, John + Debra VerStraete, Lynne LaCorte, Dan + Emma Kigar

1. Vince opened the meeting by determining whether or not we had a quorum. It turned out that not enough lots were represented for a quorum. Therefore, Vince announced, ballots will be sent out for all matters that come up in the meeting that require a vote of the members.
2. Vince asked the members whether they wanted the Board to read the reports that they had prepared and circulated with the Annual Meeting packets. The members chose to waive the reading of the reports.
3. Rick asked when the 200 days stay period for foreclosure begins on Garth Valentine's property. Gordon responded that the 120-day period has passed and that we are now ready to proceed with the foreclosure. Vince commented that an issue has arisen that requires a decision by the Board which may result in another 2-week delay.

Gary requested an historical recap of the events leading up to the foreclosure. Gordon provided a brief summary. Rick asked the amount owed. Vince indicated that it is close to \$50,000. Judi asked if the Wood-Perry Ditch lien is ahead of us. Vince responded that it is not. Henry explained that DMCA has a judgment against Garth which makes it easier for DMCA to proceed with a foreclosure. After a brief discussion, Vince outlined the timeline of a foreclosure. Judi gave an example of a foreclosure on another unrelated property in Ridgway with the conclusion that there is significant equity in Garth's property above the amount of our debt. Vince observed that, for that reason, it will be a surprise if we end up owning it for the amount of our lien. Judi asked if Vince could email her an summary of the status of the foreclosure in case she finds an interested buyer. Vince agreed.

4. John provided the Financial Report. He highlighted 2018 actual expenses versus the budget. Actual legal expenses were significantly less than budgeted. This savings enabled us to almost cover our expenses despite \$13,396 in water related expenses primarily related to the replacement of the pump. In 2018, DMCA brought in income of \$19,700 against expenses of \$21,000. While there was a minor shortfall, we were able to meet our expenses without a loan.

John went over the 2019 budget. While we are budgeting \$5,000 for legal expenses, we are hoping not to spend that. Revenue should be close to \$20,100 from annual dues. With \$30,000

in budgeted expenses, we may be facing a \$10,000 shortfall. However, we anticipate some amount of revenues from water overages and the outcome of the Valentine foreclosure is unknown at this time. Also, we do not at present know the cost of repairing the water tank.

Vince noted that we will be carrying over roughly \$4,000 of 2018 income into 2019, and it is an IRS requirement that the members approve the carryover. Since we do not have a quorum at the meeting, a ballot will be sent out for a vote on approving the 2019 budget and carrying over the roughly \$4,000 from 2018 into 2019.

Henry asked what our bank balances are. John replied that we have \$8,426 in checking; \$14,527 in savings; and \$34,076 in reserves for total assets of \$57,030.16.

5. Rick asked what the cost would be to replace the water tank. Gordon stated that it would probably be \$70,000 - \$100,000. However, because our tank is inaccessible, the cost to replace it may be even higher.

Jason inquired when during the year we expect to repair the tank. Vince answered that we do not know at this time but that the board will give as much notice as possible.

Emma Kigar asked if we repaired or replaced the pump. Vince responded that we replaced it. Vince also noted that we need to evaluate the aquifer that supplies the pump. Emma asked if we are considering an increase in our water charges. Vince responded not at this time. Gary noted that the board is concerned about excessive water usage way above the 12,000 gallons per month allocated to each lot, and that we may propose a revised fee structure to address that concern. Gordon noted that our pump pumps 23 gallons per minute which, serving 40 homes, is not a lot of water. Carolyn Snowbarger recommended that the board consider raising water rates now rather than waiting.

6. Vince provided a Board Election Update. John is retiring from the board. The other 5 board members have agreed to serve another year. And, Rick Taylor has put his name in for consideration. Vince asked if there were any nominations from the floor. There were none. Vince and John described the election and ballot counting process.
7. Before the Annual Meeting commenced, Gordon reported that he had received a quote for a water tank inspection from a certified company in Grand Junction. The quoted price is \$750. The Board agreed that this is a good price and that we should accept it. Tom made a motion to approve the cost of the tank inspection. Vince seconded. The motion was unanimously approved.
8. Vince announced that we are updating contact information for all DMCA members and that we will be asking members whether or not they are willing to have their contact information shared with the membership.

9. Lynne observed that she has not previously met a few of the members. Introductions were made.

10. Henry moved to adjourn. Dan seconded. It was unanimously voted to adjourn at 7:10 PM.